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Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

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June 19, 2009

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To: Supervisor Don Knabe, Chairman
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From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name and title.

ADVANCE FINDINGS FROM TWO CHIEF EXECUTIVE OFFICE STUDIES OF THE GENERAL RELIEF PROGRAM

The Chief Executive Office (CEO) and the Department of Public Social Services (DPSS) have completed their joint Adult Linkages Project (ALP). The ALP has developed and deployed a set of data integration procedures that make it possible for administrative records from multiple County departments to be shared and integrated in a common database. The CEO's Research and Evaluation Services unit used the ALP data integration system in preparing two studies of participants in DPSS' General Relief (GR) Program.

The first study is the analytical report for the ALP, which looks at the characteristics of the GR population, its patterns of service utilization across multiple County departments, and the costs involved in providing GR recipients with health, mental health, public health, and Sheriff-related services. Specifically, the ALP studied two cohorts of GR participants: First cohort includes almost 8,000 persons who are first-time GR participants. The second cohort includes almost 5,000 participants who are long-term GR participants. All of the following data is based only on the costs for services to these two cohorts; the full cost of services for GR participants across County departments is much greater.

"To Enrich Lives Through Effective And Caring Service"

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The second study is an evaluation of outcomes for GR recipients who participated in the GR Housing Subsidy and Case Management Pilot Project between September 2006 and December 2008. This evaluation examines whether participation in the pilot improved outcomes for GR recipients in the areas of employment, Social Security Income (SSI) eligibility and housing. The evaluation also provides a cost avoidance analysis that looks at whether participation in the pilot creates service cost savings.

While both reports are scheduled to be submitted to your Board within the next 60 days, the CEO is able to provide advance and provisional findings from both reports. Attached are two fact sheets.

Key Findings: ALP

Nearly one-third of the ALP study population had a disability. Persons with a disability had a rate of service utilization that was more than 50 percent above the average for GR participants, and they incurred a 20-month average of \$20,000 in service costs in departments other than DPSS, which is 67 percent higher than the average of \$12,000 for all GR participants. By comparison, maximum GR grant costs for a 20-month period are \$4,420. Therefore, service costs outside of DPSS are almost five times GR grant costs for disabled GR participants, and almost three times GR grant costs for all GR participants.

- When 1,000 disabled GR recipients are approved for SSI benefits through the GR SSI and Medi-Cal Advocacy Program (SSIMAP), the projected annual service cost savings to the County after one year is more than \$12 million and reaches \$17 million after two years. These savings only reflect health-related services incurred by other County departments, excluding GR program costs.
- Approximately one of every six GR enrollees had a treatment history for a mental illness, and most of those were in diagnoses that could qualify as "severe mental disorders." GR recipients with a psychiatric treatment history were also among the most costly, with average cross-system costs almost twice the GR population average.

Findings from ALP indicate that people who are frequently incarcerated are also among the most costly of the GR recipient pool. For example, almost 8,000 recipients using GR for the first time during the ALP study period incurred \$22.4 million in total jail costs over the period they were observed. Moreover, almost 5,000 recipients who had already used GR prior to the ALP study period incurred almost \$28 million in total jail costs over the observation period.

- Findings from ALP show that health services' costs are very high. While they were in the GR program, 8,000 first-time GR users incurred over \$20 million in health services' costs and this figure was over \$13 million for 5,000 long-term GR-users.

Key Findings: Evaluation of Outcomes for Participation in DPSS' GR Housing Subsidy and Case Management Pilot Project

- The cost of providing mental health, health, public health and Sheriff-related services to participants in the GR Housing Subsidy and Case Management Pilot Project dropped by 45 percent after GR participants entered the pilot and received a rental subsidy. More specifically the *annualized* cost of providing other department services to 900 of these GR recipients was close to \$10 million in the 12 months prior to their entry into the pilot. This cost dropped to \$5.5 million after they entered the pilot.
- Service costs increased for participants after they exited the pilot, but these costs still remained 37 percent below the costs during the 12 months prior to participation in the pilot. That is, while the annualized cost of providing mental health, health, public health and Sheriff-related services to 900 pilot participants was almost \$10 million in the 12 months prior to their entry into the pilot, these costs were just over \$6 million after they exited the pilot.
- The annualized service cost savings for 900 participants in the GR Housing Subsidy and Case Management Pilot Project was approximately \$4 million after the first year and reached \$10.4 million in the second year, after they exited the program.
- When compared with a control group of GR recipients who did not participate in the GR Housing Subsidy and Case Management Pilot Project, those who did participate were roughly two times more likely to find jobs after they entered the pilot.
- Pilot participants were homeless 17 percent of the time after entry into the pilot, as compared with being homeless 63 percent of the time between 2005 and their entry into the pilot.

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Implications of the Studies

The findings from the ALP and the evaluation of outcomes associated with participation in the GR Housing Subsidy and Case Management Pilot Project point to opportunities for reforming GR in ways that can substantially mitigate excessive costs. The patterns of service utilization revealed in these studies and, in particular, the successes of programs, such as the SSIMAP Program and the GR Housing Subsidy and Case Management Pilot Project, suggest that alternative programs associated with less costly and more effective types of care should continue to be piloted.

Next Steps

Both the report for the ALP and the evaluation of outcomes associated with participation in the GR Housing Subsidy and Case Management Pilot Project will be submitted to your Board within the next 60 days.

If you have any questions, please let me know or your staff may contact Miguel Santana, Deputy Chief Executive Officer at (213) 974-4530, or via e-mail at msantana@ceo.lacounty.gov.

WTF:MS
KH:MM:am

Attachments (2)

c: Executive Officer, Board of Supervisors
 County Counsel
 Sheriff's Department
 Chief Probation Officer of Probation
 Director of Community and Senior Services
 Director of Children and Family Services
 Director of Health Services
 Director of Mental Health
 Director of Public Health
 Director of Public Social Services

**USING THE ADULT LINKAGES PROJECT
TO ASSESS GENERAL RELIEF RECIPIENTS IN
LOS ANGELES COUNTY: FACTS AND FIGURES, June 2009**

This fact sheet presents some of the most significant findings resulting from an analysis of the Adult Linkages Project (ALP).

**GENERAL RELIEF SOCIAL SECURITY INCOME MEDI-CAL ADVOCACY
PROGRAM (GR SSIMAP) COST SAVINGS**

- When 1,000 disabled GR recipients are approved for SSI benefits through the GR SSIMAP, the projected annual service cost savings to the County after one year is more than \$12 million, and reach \$17 million after two years.

COSTS AND PATTERNS OF SERVICE UTILIZATION

Five sub-populations were identified as having costs that are 50 percent higher than the average for the GR population as a whole:

- *Heavy Users:* This group constitutes 10 percent of the GR population included in the ALP. The heavy users of multiple County services incur costs that are 2.3 times higher than the average cost for GR recipients.
- *The Mentally Ill:* Approximately one of every six GR enrollees had a treatment history for a mental illness, and most of those were in diagnoses that could qualify as "severe mental disorders." GR recipients with a psychiatric treatment history were also among the most costly, with average cross-system costs almost twice the GR population average.
- *The Disabled:* Nearly one-third of the ALP study population had a disability. Persons with a disability had a rate of service utilization that was more than 50 percent above the average for GR participants, and they incurred a 20-month average of \$20,000 in service costs, which is 60 percent higher than the average for GR participants.
- *Long-Term Homeless:* GR recipients in the ALP study population who experience long-term homelessness are a distinct subgroup among the overall population of homeless persons receiving GR benefits. Results from ALP indicate that long-term homeless GR participants incur service costs that are 50 percent higher than the average for the GR population.

- *Frequently Incarcerated:* Findings from the ALP indicate that people who are frequently incarcerated are also among the most costly in the GR recipient pool. For example, recipients using GR for the first time during the ALP study period incurred \$22.4 million in total jail costs over the period they were observed. Moreover, recipients who had already used GR prior to the ALP study period incurred almost \$28 million in total jail costs over the observation period.
- Results from the ALP study show that GR employable participants exit the GR program more quickly and are among the most likely to exit with a job. Similarly, GR recipients with an employment history are also more likely to exit with a job, and to leave more quickly.

**EVALUATION OF OUTCOMES FOR PARTICIPANTS IN
THE GENERAL RELIEF HOUSING SUBSIDY AND
CASE MANAGEMENT PILOT PROJECT: FACTS AND FIGURES, June 2009**

This fact sheet presents some of the most significant findings from an evaluation of the General Relief (GR) Housing Subsidy and Case Management Pilot Project being conducted by the Chief Executive Office.

COST AND SAVINGS OF COUNTY SERVICES FOR GENERAL RELIEF (GR) PARTICIPANTS

- The cost of providing mental health, health, public health and Sheriff-related services to participants in the GR Housing Subsidy and Case Management Pilot Project dropped by 45 percent after GR participants entered the pilot and received a rental subsidy. More specifically, the *annualized* cost of providing these other department services to 900 of these GR recipients was close to \$10 million in the 12 months prior to their entry into the pilot. This cost dropped to \$5.5 million after they entered the pilot.
- Service costs increased for participants after they exited the pilot, but these costs still remained 37 percent below the costs during the 12 months prior to participation in the pilot. That is, while the annualized cost of providing mental health, health, public health and Sheriff services to 900 pilot participants was almost \$10 million in the 12 months prior to their entry into the pilot, these costs were just over \$6 million after they exited the pilot.
- After entering the pilot program, the annual cost of providing health services to pilot participants dropped from \$4.1 million to \$2.2 million.
- After entering the pilot program, the annual cost of providing public health services to pilot participants dropped from \$1.2 million to \$558,000.
- After entering the pilot program, the annual cost of providing Sheriff's services to pilot participants dropped from \$3.4 million to \$1.7 million.

The annualized net service cost savings for 900 participants in the GR Housing Subsidy and Case Management Pilot Project was approximately \$4 million after the first year and reached \$10.4 million in the second year, after they exited the program.

AVERAGE LENGTH OF STAY IN THE PILOT

- The average length of stay for participants in the pilot program was approximately seven months.
- Roughly one-third of the participants in the pilot stayed in the program for three months or less, roughly 30 percent stayed for more than one year, and one-quarter were still in the program by December 2008, which is the end of the study period.

EMPLOYMENT OUTCOMES

- When compared with a control group of employable GR recipients who did not participate in the GR Housing Subsidy and Case Management Pilot Project, those employable participants who did participate were roughly two times more likely to find jobs after they entered the pilot.

HOMELESSNESS PREVENTION OUTCOMES

- Pilot participants were homeless 17 percent of the time after entry into the pilot, as compared with being homeless 63 percent of the time between 2005 and their entry into the pilot.